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Veröffentlichungsversion / Published Version

Arbeitspapier / working paper

#### Empfohlene Zitierung / Suggested Citation:

Dietz, B. (2014). *Migration and Population Change: Central and East Europeans in Germany are on the rise*. (IOS Policy Issues, 4). Regensburg: Institut für Ost- und Südosteuropaforschung (IOS). <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-63317-3>

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# Policy Issues

No. 4 July 2014

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## Migration and Population Change: Central and East Europeans in Germany are on the rise

Barbara Dietz

*Immigration to Germany has increased since 2009 and reached a preliminary high in 2013. Triggered by the comparably stable German economy and the abolition of transitional immigration restrictions, the majority of immigrants arrive from East European Union enlargement countries of 2004 and 2007. As a result of recent inflows, the immigrant population from Central and Eastern Europe in Germany clearly increased. Although many newcomers are comparatively well skilled, they were often not successful in transferring their skills to the German labour market.*

### Introduction

In 2013, Germany attracted the highest numbers of immigrants in OECD countries after the United States. In 2009 it ranked only eighth among OECD states (OECD 2014). This development was mainly driven by inflows from the new Central and East European Union enlargement countries of 2004 and 2007 and to a smaller degree by immigration from southern European Union member states. Prominent push factors were the enlargements of the European Union and the recent global economic crisis. With a net immigration of nearly 450,000 people in 2013, Germany belongs to the top immigration destinations worldwide.

Unlike most European Union countries, Germany received high numbers of immigrants from Central and Eastern Europe<sup>1</sup> long before the enlargements of the European Union in 2004 and 2007. In its early phase, these inflows were primarily related to legal provisions, allowing ethnic Germans (so called *Aussiedler*), living in East Central Europe and the former Soviet Union to return to the home country of their forefathers. These movements became particularly relevant after the political transformation in East Central Europe and the dissolution of the Soviet Union. Additionally, labour migrants from Central and East European countries started to move to Germany by the end of the 1980s. In

most cases they were allowed to work temporarily on the basis of bilateral contracts. After Eastern enlargements, Germany introduced transition regulations for labour migrants from the new EU member states. Although the inflow of citizens from the new European Union countries to Germany was initially much lower than projected, it was certainly higher than before the enlargements. When transition regulations were removed, immigration from new East European Union countries surged.

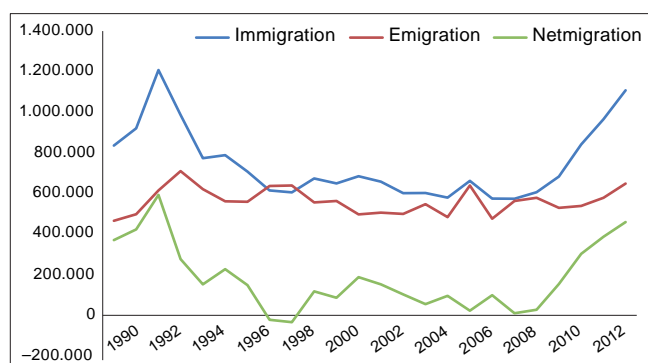
As a consequence of various migration waves from Central and Eastern Europe, the composition of the immigrant population in Germany changed considerably. In 2000 only 12 percent of foreigners were citizens of Central and East European countries, while nearly one fourth of foreigners in 2013 came from this region. In terms of migration background, at least 5 million people had roots in Central and Eastern Europe in 2013; this is nearly one third of all persons with migration backgrounds in Germany.

This policy issue describes recent immigration movements to Germany and provides insights about the demographic changes resulting from these inflows. Special emphasis is placed on the immigration from Central and Eastern Europe, which had a strong impact on population dynamics.

## Germany: A top immigration destination in Europe

Since 1990, migration movements to Germany were characterized by some sharp fluctuations related to the economic development in Germany and abroad, to geopolitical factors and to migration policy provisions. In 1992, the inflow to Germany reached a high with 1.2 million people, which was accompanied by a comparatively large emigration, resulting in a net migration of nearly 600,000 people in that year. This migration episode was related to the political transformation in East Central Europe, to the dissolution of the Soviet Union and to an increasing asylum migration, most importantly caused by the war in former Yugoslavia. Between 1994 and 2009, net immigration to Germany was moderate, including 90,000 persons on annual average (figure 1).

**Figure 1: Immigration, emigration and net migration to Germany (1990–2013)**



Source: Federal Statistical Office, Germany

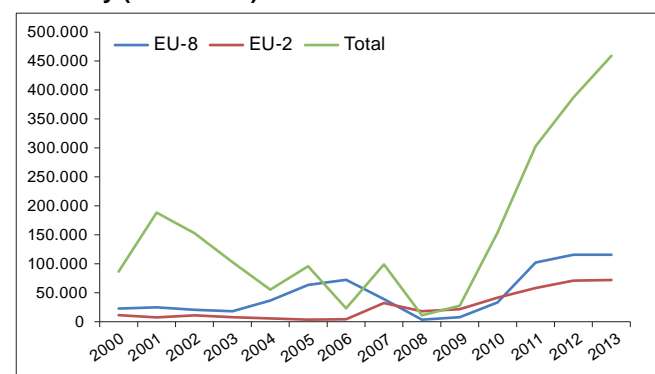
As a matter of fact, migration to Germany did not change remarkably with the enlargements of the European Union in 2004 and 2007. Although the free movement of people within European Union member countries is an elementary part of the European citizenship, the adoption of this right was a controversial issue before the enlargements. As a result of long-lasting negotiations, the European Commission allowed its member states to introduce a transition period of restricted labour migration for a maximum of 7 years after the enlargements. For Germany, the most important reasons to set up barriers against workers from new East Central European Union member countries in May 2004 and in January 2007 were related to domestic concerns. In the context of a slowing economy and high unemployment rates at that time, anti-immigration sentiments were strong. In addition, German politicians and citizens were concerned that labour migrants from East Central Europe might abuse the welfare system.

The transition regulations had a considerable impact on the inflow of labour migrants from the new East Central European Union member states to Germany. Forecasts had predicted that approximately 156,000 people from the new EU members would be ready to move to Germany in the first year after the 2004 enlargement. But according to the German Statistical Office, net migration amounted to 36,000 persons on a yearly average be-

tween 2004 and 2011. Although transitional arrangements on labour migration apparently prevented the expected massive immigration of workers from the new East Central European member states to Germany, labour migration had nevertheless increased. It is likely that a number of EU-8 nationals had moved as posted workers or as workers claiming to be self-employed in that period.

Since the phase-out of transition regulations in May 2011, net migration from EU-8 countries to Germany surged (figure 2). On a yearly average, net migration from the EU-8 region amounted to 111,000 persons between 2011 and 2013. However, the comparatively high inflow from EU-8 countries to Germany after 2011 was also motivated by the impacts of the global economic crisis, which had left the German labour market comparatively unaffected (Elsner and Zimmermann 2013). As in recent years, Poland was the most important sending country of migrants from the region, accounting for nearly two thirds of all immigrants from EU-8 countries.

**Figure 2: Net migration from EU-8\* and EU-2\*\* countries to Germany (2000–2013)**



\* EU-8 states include: Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Estonia, Latvia and Lithuania. \*\* EU-2 states include: Bulgaria and Romania.

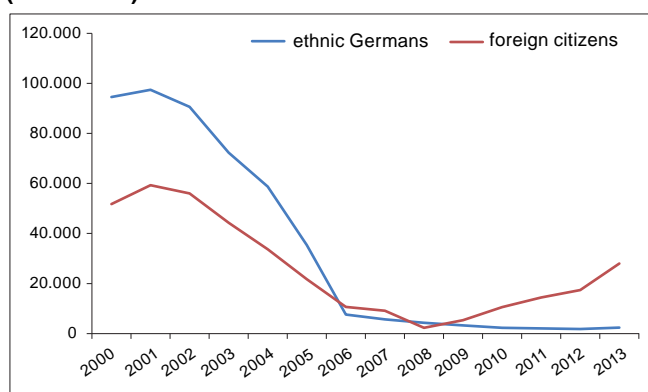
Source: Federal Statistical Office, Germany

Interestingly, net migration from Bulgaria and Romania to Germany had already increased before the admission of these countries to the European Union but slowed down thereafter (figure 2). This reflected alternative migration options to other EU countries in the course of the 2007 enlargement, where Germany had again voted for a 7-year transition period for labour immigration. Nevertheless, due to the comparatively solid labour market development in Germany after the global economic crisis, the immigration from EU-2 countries rose since 2009 and reached a provisional high in 2013. In that year, net migration from Bulgaria and Romania amounted to nearly 72,000 persons; that is two and a half times larger than in 2009.

Since the early 1990s, post-Soviet countries also became prominent sending regions of immigrants to Germany, although these movements were only partially reflected in official migration statistics. The majority of immigrants from the former Soviet Union were ethnic Germans who resettled to Germany on the basis of special legal provisions and were recognized as German citizens after arri-

val. Between 1990 and 2013, nearly 2.2 million ethnic Germans arrived in Germany, although this immigration had nearly stopped in recent years (figure 3). Besides *Aussiedler*, further immigrant groups from post-Soviet countries came to Germany in the recent two decades. Initially Jewish quota refugee and asylum migration played a dominant role but subsequently labour, family related and student migration gained in importance. While Jewish quota refugees were admitted since 1991 on the basis of special legal provisions (*Kontingentflüchtlingsgesetz*), the asylum movement from the post-Soviet region to Germany was in the majority of cases related to ethnic conflicts and civil war in the Russian Federation and the Caucasus. In 2008, net immigration of foreign citizens from the former USSR reached a low but increased continuously thereafter (figure 3).

**Figure 3: Immigration of ethnic Germans and net migration of foreign citizens from post-Soviet countries to Germany (2000–2013)**



Source: Federal Statistical Office, Germany

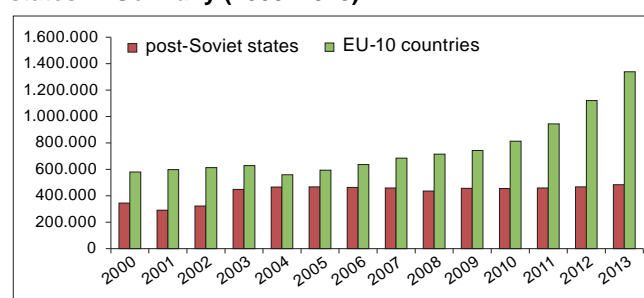
Because movements from post-Soviet countries to Germany are subject to residence and work permits, the inflow of labour migrants was comparatively low. The most important sending country of labour migrants is Russia and highly skilled people make up a large share. As is typical in established migration relations, family reunion contributes to the inflow of people from abroad. In 2012, Russians were third after Turkish and Indian citizens in receiving a resident permit related to family reunion in Germany (Bundesamt für Migration und Flüchtlinge 2014). In most cases, family related immigration from post-Soviet states had developed in connection to the movement of ethnic Germans and Jewish quota refugees.

### Demographic consequences of recent immigration movements

The immigration from East Central European and post-Soviet states changed the structure and characteristics of Germany's immigrant population considerably. This can either be traced by the traditional citizenship concept or by a newly introduced approach related to the migration background of newcomers.

The citizenship concept defines immigrants as persons who live in Germany but do not have the German citizenship. This has been a standard definition in German population statistics, although naturalized foreigners and ethnic Germans cannot be distinguished from natives. According to this definition, 1.3 million citizens from EU-10 countries and approximately 485,000 citizens from post-Soviet states lived in Germany in the year 2013. They accounted for nearly one fourth of all foreign citizens in Germany. As demonstrated in figure 4, migrant populations from EU-10 countries grew remarkably between 2000 and 2013. As a matter of fact, foreigners from the EU-10 more than doubled in this period, while the total foreign population in Germany grew by only 4.6 percent.

**Figure 4: Citizens from EU-10\* countries and post-Soviet states in Germany (2000–2013)**



\* EU-10 states include EU-8 and EU-2 countries

Source: Federal Statistical Office, Germany

The most important immigrant community from East Central European countries are citizens from Poland, including nearly 610,000 persons. They are followed by citizens from Romania (270,000 persons), Bulgaria (147,000 persons) and Hungary (136,000 persons).

While the foreign population from Poland more than doubled between 2000 and 2013, Romanian citizens grew by nearly three times. The number of persons with a Bulgarian citizenship increased by four times in that period. Remarkably, 125,000 Romanian citizens had already been counted in Germany in the year 1994. This was the result of the high asylum immigration from Romania since the beginning of the 1990s. Because of the return of many Romanians connected to a more restrictive asylum law in 1993, the number of Romanian citizens declined continuously until 2004. Since then, an increase of Romanians in Germany can again be observed, apparently related to the 2007 enlargement round of the European Union. In 2013, Polish citizens ranked second among foreigners in Germany, after the Turkish community. Meanwhile, more Romanian citizens live in Germany than foreigners from the traditional guest worker countries Spain, Croatia and Portugal. This clearly emphasized the growing weight of EU-10 immigrants in Germany.

Next to foreigners from EU-10 countries, citizens from post-Soviet states constitute a notable group (figure 4). The most important sending countries are Russia, Ukraine and Kazakhstan, which are the home of 5 percent of all foreigners in Germany in 2013.

Citizens from post-Soviet states living in Germany are highly diverse with respect to their migration motivation, their ethnic and social background. Many of them belong to the group of Jewish quota refugees, others are labour migrants, students or family related immigrants. The latter group is particularly relevant in the case of people holding the Kazakh citizenship. These are in most cases relatives of ethnic Germans who had left Kazakhstan since the German exodus from this country, but were not eligible for the German citizenship.

Besides the citizenship concept, immigrants in Germany can most recently be identified according to their migration background. This concept has been introduced in 2005 in German population statistics. It was developed to illustrate that citizenship as a sole indicator is insufficient to adequately describe the immigrant population. Persons with migration backgrounds include the following groups: foreigners born abroad, foreigners born in Germany, ethnic Germans, naturalised citizens who have themselves immigrated, as well as their children who have no personal, direct migration experience.

While foreign citizens in Germany accounted for 7.6 million people (9 percent of the population) in 2013, 16.3 million people (one fifth of the population) had a migration background. This indicates that foreign citizens represent only less than half of those persons who have some kind of migration background, either because they have migrated themselves or one of their parents. Europe is the most important sending region for people with migration backgrounds in Germany. While 5.1 million persons with migration backgrounds are rooted in European Union countries, nearly 6.3 million come from the rest of Europe, such as Turkey, Russia and Croatia.

In 2013, the most prominent home country for persons with migration backgrounds is Turkey (2.9 million persons). It is followed by Poland (1.5 million persons) and Russia (1.2 million persons). As demonstrated in table 1, more persons with migration backgrounds originate from the new emigration region with higher inflows of ethnic Germans like Kazakhstan (910,000), than from the traditional sending countries such as Italy (750,000 persons).

Comparing foreign citizens and the population with migration backgrounds by sending countries reveals striking differences. Nearly half of all persons with a Turkish migration background hold the Turkish citizenship, while in the case of people from Poland and Russia this percentage is much lower. Approximately 40 percent of all persons with a Polish migration background are Polish citizens and nearly one fifth of those people with a Russian migration background have a Russian passport. The comparatively high numerical differences between Polish and Russian citizens and persons with migration backgrounds coming from Poland and Russia can be explained by the large immigration of ethnic Germans from these countries, who received the German passport after arrival. The discrepancy between migration background and citizenship is particularly striking in the case of Kazakhstan where nearly all immigrants belonged to the group of ethnic Germans.

**Table 1: Persons with migration backgrounds and foreign citizens in Germany 2013, in million**

Sending Country	Persons with migration backgrounds	Foreign citizens
Turkey	2.99	1.55
Poland	1.54	0.60
Russia	1.21	0.21
Kazakhstan	0.91	0.04
Italy	0.75	0.55
Romania	0.53	0.26
Greece	0.40	0.31
Ukraine	0.27	0.12
Other countries	7.74	3.99
All	16.34	7.63

Source: Federal Statistical Office, Germany

Because second generation immigrants are included in the definition of persons with migration background, only a fraction of them have migrated themselves. In 2013, two thirds of all persons with migration backgrounds have actually experienced migration. A comparison of sending countries reveals that the percentage shares of persons with their own migration experience, as part of all persons with migration backgrounds, is noticeably different (table 2).

**Table 2: Persons with migration backgrounds and persons with migration experience in Germany 2013, in million**

Sending Country	Persons with migration backgrounds	... of which persons with their own migration experience
Turkey	2.99	1.14
Poland	1.54	1.19
Russia	1.21	0.99
Kazakhstan	0.91	0.74
Italy	0.75	0.41
Romania	0.53	0.43
Greece	0.40	0.23
Ukraine	0.27	0.14
Other countries	7.74	5.63
All	16.34	10.90

Source: Federal Statistical Office, Germany

In traditional former labour sending countries such as Turkey, Italy and Greece between 50 and 60 percent of persons with migration backgrounds have migrated themselves, indicating that a substantial part of the respective populations with migration backgrounds have been born in Germany. Contrastingly, more than 80 per-



cent of migrants from East Central European countries and post-Soviet states have moved themselves, confirming the recent immigration incidence of these groups. Today, approximately 15 percent of all people with migration backgrounds in Germany originate from the post-Soviet region, mirroring the high influx of ethnic Germans. This is close to the share of persons with migration backgrounds coming from Turkey.

### **Concluding Remarks**

Within the European Union, Germany plays an exceptional role as a destination country for immigrants from Central and Eastern Europe. This was originally related to the admission of ethnic Germans, refugees and occasionally labour migrants, while the enlargements of the European Union and the 2009 economic crisis fuelled recent labour inflows. As a result of these various migration movements, Germany hosts the biggest immigrant community from Central and Eastern Europe in the European Union today.

The migration policy debate in Germany revolves around labour market and welfare concerns in the light of an ageing and shrinking population. Accordingly, immigrants are primarily assessed with respect to their labour market risks and skill levels. While ethnic Germans – who arrived in recent decades from the successor states of the Soviet Union – were found to bring along somewhat higher skills than former guest worker immigrants, their unemployment risks were particularly high in the first years after arrival. However, in the longer-run perspective ethnic Germans adapted reasonably well to the German labour market, although many had to accept lower wages than comparative natives and did not find work in the professions they were qualified for.

Immigrants from EU-8 countries had on average a higher education than Germans, but their unemployment rate exceeded that of natives in recent years (Baas 2014). Compared to the German work force, EU-8 migrant workers were more concentrated in blue-collar jobs and earned lower wages (Elsner and Zimmermann 2013). As for immigrants from EU-2 countries, they are highly diverse with respect to their educational and social background. While approximately a quarter of this group holds a university degree, 35 percent have no formal qualification (Brücker et al. 2013). However, this has not translated into exceptionally high unemployment rates yet. But in the year 2013, welfare recipients among EU-2 immigrants increased sharply (Baas 2014). This might be related to the labour market situation of some EU-2 immigrants who earned wages below the subsistence level or who were looking for a job but failed.

Although no official figures exist, there is evidence that a number of immigrants from EU-2 countries are members of the Roma minority, who experienced discrimination and social exclusion in their home countries. They often lack education and are therefore far less likely than better educated immigrants to find employment in

Germany. Without doubt the labour market integration of low-skilled European Union immigrants is a challenge for labour market and social policy. Although low-skilled newcomers often fill gaps in certain labour market sectors, unwanted displacement and welfare effects might result.

It is generally agreed that Germany needs immigrants, particularly those who are higher skilled. To a certain degree recent newcomers from Central and Eastern Europe met this criterion, although they often were not successful in transferring their skills to the German labour market. While Germany has introduced some measures to reduce this labour market mismatch, such as a simplified recognition of educational certificates, a more flexible labour market would support this effort.

## Notes

<sup>1</sup> In this policy issue Central and Eastern Europe spans the countries that joined the EU in 2004 and 2007 (Bulgaria, Czech Republic, Slovakia, Hungary, Poland, Romania, Slovenia, Estonia, Latvia and Lithuania) and the non-EU successor states of the Soviet Union (Russian Federation, Ukraine, Moldova, Belarus, Armenia, Georgia, Azerbaijan, Turkmenistan, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan).

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